

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-01337A
Rincon Ranch Estates Water Company
2970 N. Swan Rd, Suite 220
Tucson, AZ 85712

ANNUAL REPORT
Water

FOR YEAR ENDING

12	31	2010
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FOR COMMISSION USE

ANN 04	10
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6-6-11

COMPANY INFORMATION

Company Name (Business Name) Rincon Ranch Estates Water Company, Inc.

Mailing Address 2970 N. Swan Rd, Suite 220
(Street)

Tucson AZ 85712
(City) (State) (Zip)

(520) 325-1544 (520) 325-1121
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address _____

Local Office Mailing Address 2970 N. Swan Rd, Suite 220
(Street)

Tucson AZ 85712
(City) (State) (Zip)

(520) 325-1544 (520) 325-1121
Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

<input checked="" type="checkbox"/> Regulatory Contact:			
<input checked="" type="checkbox"/> Management Contact: <u>Dale Calvert</u> <u>President</u>			
	(Name)	(Title)	
<u>2970 N. Swan Rd Suite 220</u>	<u>Tucson</u>	<u>AZ</u>	<u>85712</u>
(Street)	(City)	(State)	(Zip)
<u>(520) 325-1544</u>	<u>(520) 325-1121</u>	<u>(520) 241-6352</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address <u>drcalvert@cpatucson.com</u>			
 On Site Manager: <u>Facilities have been sold and accordingly there is no longer an On Site Manager</u>			
(Name)			
<hr/>			
(Street)	(City)	(State)	(Zip)
<hr/>			
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address _____			

Statutory Agent: Dale Calvert

(Name)

2970 N. Swan Rd, Suite 220

(Street)

Tucson

(City)

AZ

(State)

85712

(Zip)

(520) 325-1544

Telephone No. (Include Area Code)

(520) 325-1121

Fax No. (Include Area Code)

(520) 241-6352

Cell No. (Include Area Code)

Attorney: Hugh Holub

(Name)

PO Box 4521

(Street)

Tubac

(City)

AZ

(State)

85646

(Zip)

(520) 398-9571

Telephone No. (Include Area Code)

(520) 377-8259

Fax No. (Include Area Code)

(520) 841-2278

Cell No. (Include Area Code)

Email Address _____

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ **Sole Proprietor (S)**

☒ **C Corporation (C) (Other than Association/Co-op)**

☐ **Partnership (P)**

☐ **Subchapter S Corporation (Z)**

☐ **Bankruptcy (B)**

☐ **Association/Co-op (A)**

☐ **Receivership (R)**

☐ **Limited Liability Company**

☐ **Other (Describe)** _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ **APACHE**

☐ **COCHISE**

☐ **COCONINO**

☐ **GILA**

☐ **GRAHAM**

☐ **GREENLEE**

☐ **LA PAZ**

☐ **MARICOPA**

☐ **MOHAVE**

☐ **NAVAJO**

☒ **PIMA**

☐ **PINAL**

☐ **SANTA CRUZ**

☐ **YAVAPAI**

☐ **YUMA**

☐ **STATEWIDE**

DALE R. CALVERT, PLLC

CERTIFIED PUBLIC ACCOUNTANT

2970 N. SWAN ROAD, #220
TUCSON, AZ 85712

Voice (520) 325-1544
Fax (520) 325-1121
E-mail drcalvert@cpatucson.com

Accountant's Compilation Report

Board of Directors
Rincon Ranch Estates Water Co., Inc.
Tucson, AZ

We have compiled the accompanying balance sheet of Rincon Ranch Estates Water Co., Inc. as of December 31, 2010 and 2009 and the related comparative statement of income and expenses and the supplementary information contained in the schedule of utility plant in service, schedule of calculation of depreciation expense, schedule of property taxes and schedule on income taxes for the year then ended included in the accompanying prescribed form, Water Utility Annual Report, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the accounting basis used by the Company for regulatory purposes.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting basis used by the Company for regulatory purposes and for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements and supplementary schedules information without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

These financial statements are presented in accordance with the requirements of the Arizona Corporation Commission which differ from a presentation in conformity with generally accepted accounting principles. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Rincon Ranch Estates Water Co., Inc.

Dale R. Calvert
Certified Public Accountant

May 19, 2011

MEMBER

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
ARIZONA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	0	0	0
302	Franchises	0	0	0
303	Land and Land Rights	0	0	0
304	Structures and Improvements	0	0	0
307	Wells and Springs	0	0	0
311	Pumping Equipment	0	0	0
320	Water Treatment Equipment	0	0	0
330	Distribution Reservoirs and Standpipes	0	0	0
331	Transmission and Distribution Mains	0	0	0
333	Services	0	0	0
334	Meters and Meter Installations	0	0	0
335	Hydrants	0	0	0
336	Backflow Prevention Devices	0	0	0
339	Other Plant and Misc. Equipment	0	0	0
340	Office Furniture and Equipment	0	0	0
341	Transportation Equipment	0	0	0
343	Tools, Shop and Garage Equipment	0	0	0
344	Laboratory Equipment	0	0	0
345	Power Operated Equipment	0	0	0
346	Communication Equipment	0	0	0
347	Miscellaneous Equipment	0	0	0
348	Other Tangible Plant	0	0	0
	TOTALS	0	0	0

This amount goes on the Balance Sheet Acct. No. 108

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	0	0	0
302	Franchises	313	0	0
303	Land and Land Rights	35,889	0	0
304	Structures and Improvements	12,497	3.33	349
307	Wells and Springs	6,946	3.33	0
311	Pumping Equipment	24,088	12.50	1,242
320	Water Treatment Equipment	0	0	0
330	Distribution Reservoirs and Standpipes	47,245	5.00	0
331	Transmission and Distribution Mains	387,407	2.00	6,506
333	Services	22,477	3.33	629
334	Meters and Meter Installations	16,902	8.33	0
335	Hydrants	0	0	0
336	Backflow Prevention Devices	0	0	0
339	Other Plant and Misc. Equipment	0	0	0
340	Office Furniture and Equipment	4,031	6.67	226
341	Transportation Equipment	0	2.0	0
343	Tools, Shop and Garage Equipment	3,789	5.0	0
344	Laboratory Equipment	0	0	0
345	Power Operated Equipment	0	0	0
346	Communication Equipment	0	10.0	0
347	Miscellaneous Equipment	2,890	10.0	0
348	Other Tangible Plant Computers & Software	2,200	20.0	0
	TOTALS	566,674		8,952

This amount goes on the Comparative Statement of Income and Expense _____
Acct. No. 403.

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 45,124	\$ 82,203
134	Working Funds	0	0
135	Temporary Cash Investments	210,326	223,015
141	Customer Accounts Receivable	17,271	220
146	Notes/Receivables from Associated Companies	0	0
151	Plant Material and Supplies	3,673	0
162	Prepayments	0	0
174	Miscellaneous Current and Accrued Assets	40,157	242,307
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 316,551	\$ 547,745
	FIXED ASSETS		
101	Utility Plant in Service	\$ 557,795	\$ 0
103	Property Held for Future Use	500	0
105	Construction Work in Progress	0	0
108	Accumulated Depreciation – Utility Plant	(413,387)	0
121	Non-Utility Property	0	
122	Accumulated Depreciation – Non Utility	0	
	TOTAL FIXED ASSETS	\$ 144,908	\$ 0
	TOTAL ASSETS	\$ 461,459	\$ 547,745

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 8,823	\$ 1,151
232	Notes Payable (Current Portion)	0	0
234	Notes/Accounts Payable to Associated Companies	0	0
235	Customer Deposits	0	0
236	Accrued Taxes	5,111	0
237	Accrued Interest	0	0
241	Miscellaneous Current and Accrued Liabilities	1,039	6,707
	TOTAL CURRENT LIABILITIES	\$ 14,972	\$ 7,858
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 0	\$ 0
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$ 0	\$ 0
252	Advances in Aid of Construction	5,789	0
255	Accumulated Deferred Investment Tax Credits	0	0
271	Contributions in Aid of Construction	130,819	136,225
272	Less: Amortization of Contributions	(64,805)	(67,977)
281	Accumulated Deferred Income Tax	0	0
	TOTAL DEFERRED CREDITS	\$ 71,803	\$ 68,248
	TOTAL LIABILITIES	\$ 86,775	\$ 76,106
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 13,000	\$ 13,000
211	Paid in Capital in Excess of Par Value *	103,901	108,665
215	Retained Earnings	257,783	349,973
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 374,684	\$ 471,639
	TOTAL LIABILITIES AND CAPITAL	\$ 461,459	\$ 547,745

*211 Included in this account is the Unrealized Gain/Loss on Securities
Available for Sale in the amounts of

575

5,339

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 193,144	\$ 154,821
460	Unmetered Water Revenue	0	0
474	Other Water Revenues	1,071	1,028
	TOTAL REVENUES	\$ 194,216	\$ 155,849
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 37,338	\$ 33,690
610	Purchased Water	61,877	36,980
615	Purchased Power	14,571	14,089
618	Chemicals	0	0
620	Repairs and Maintenance	813	13,465
621	Office Supplies and Expense	5,955	5,976
630	Outside Services	27,075	32,817
635	Water Testing	2,028	245
641	Rents	0	0
650	Transportation Expenses	1,085	1,935
657	Insurance – General Liability	3,889	3,801
659	Insurance - Health and Life	0	0
666	Regulatory Commission Expense – Rate Case	0	0
675	Miscellaneous Expense	2,946	4,697
403	Depreciation Expense *	10,068	5,779
408	Taxes Other Than Income	7,213	11,681
408.11	Property Taxes	8,615	7,087
409	Income Tax	3,129	8,105
	TOTAL OPERATING EXPENSES	\$ 186,603	\$ 180,347
	OPERATING INCOME/(LOSS)	\$ 7,613	\$ (24,497)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 4,959	\$ 7,929
421	Non-Utility Income	0	108,758
426	Miscellaneous Non-Utility Expenses	(34,002)	0
427	Interest Expense	(62)	0
	TOTAL OTHER INCOME/(EXPENSE)	\$ (29,105)	\$ 116,687
	NET INCOME/(LOSS)	\$ (21,492)	\$ 92,190

* 403	Depreciation Expense Calculation		
	Depreciation Expense	12,246	8,952
	Less Amortization of Contributions in Aid of Construction	(2,178)	(3,173)
		-----	-----
	Net Depreciation Entered	10,068	5,779
		=====	=====

COMPANY NAME Rincon Ranch Estates Water Company Inc.

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Amount Outstanding	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Current Year Principle	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

Meter Deposit Balance at Test Year End \$ 0.00

Meter Deposits Refunded During the Test Year \$ 0.00

COMPANY NAME	Rincon Ranch Estates Water Company Inc.		
Name of System:	Rincon Ranch Estates	ADEQ Public Water System Number:	10-100

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
None all assets sold as of 11/2/10						

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
City of Tucson	80	11,465

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
None all assets sold as of 11/2/2010		None all assets sold as of 11/2/2010	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
None all assets sold as of 11/2/2010		None all assets sold as of 11/2/2010	

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME Rincon Ranch Estates Water Company, Inc.		
Name of System: Rincon Ranch Estates	ADEQ Public Water System Number: 10-100	

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS		
Size (in inches)	Material	Length (in feet)
2		
3		
4		
5		
6		
8		
10		
12		
None - all assets sold as of 11/2/2010		

CUSTOMER METERS	
Size (in inches)	Quantity
5/8 X 3/4	
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	
None - all assets sold as of 11/2/2010	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

None - all assets sold as of 11/2/2010

STRUCTURES:

None - all assets sold as of 11/2/2010

OTHER:

None - all assets sold as of 11/2/2010

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Rincon Ranch Estates Water Company Inc.		
Name of System: Rincon Ranch Estates	ADEQ Public Water System Number: 10-100	

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2010

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	243	2,524	1,745	1,531
FEBRUARY	241	2,006	2,141	509
MARCH	241	2,273	2,427	3
APRIL	241	3,253	3,081	451
MAY	242	3,907	2,872	1,038
JUNE	243	4,887	3,022	1,881
JULY	245	4,504	3,454	1,735
AUGUST	243	3,648	1,396	1,444
SEPTEMBER	243	4,392	1,682	1,431
OCTOBER	244	3,892	3,143	1,442
NOVEMBER	0	0	0	0
DECEMBER	0	0	0	0
TOTALS →		35,286	24,963	11,465

What is the level of arsenic for each well on your system? 0.0011 mg/l Test Date 3/9/2006
(If more than one well, please list each separately.) Two closed wells - requires random test of one

If system has fire hydrants, what is the fire flow requirement? _____ GPM for _____ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
☐ Yes ☒ No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
☒ Yes ☐ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
☐ Yes ☒ No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: Rincon Ranch Estates Water Company, Inc.		
Name of System: Rincon Ranch Estates	ADEQ Public Water System Number: 10-100	

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY		0	1
FEBRUARY		0	1
MARCH		0	1
APRIL		1	0
MAY		0	0
JUNE		0	2
JULY		0	3
AUGUST		0	2
SEPTEMBER		0	2
OCTOBER		0	245
NOVEMBER		0	0
DECEMBER		0	0
TOTALS →		1	257

OTHER (description):

244 terminations in November are a result of the water company being sold to City of Tucson. Remaining other

terminations are services disconnected at customer request.

COMPANY NAME Rincon Ranch Estates Water Company YEAR ENDING 12/31/2010

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2010 was: \$ 11,382.37

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

RECEIVED

2010 08 05

ACCOUNT UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	PIMA
NAME (OWNER OR OFFICIAL) TITLE	DALE CALVERT - PRESIDENT
COMPANY NAME	RINCON RANCH ESTATES WATER COMPANY, INC

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2010

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

Dale Calvert

SIGNATURE OF OWNER OR OFFICIAL

(520) 325-1544

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

29

DAY OF

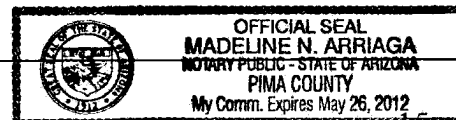
COUNTY NAME	Pima
MONTH	April
	2011

(SEAL)

Madeline N. Arriaga

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES May 26, 2012



SEE ACCOUNTANT'S COMPILATION REPORT

COMPANY NAME Rincon Ranch Estates Water Company, Inc.

YEAR ENDING 12/31/2010

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>31,283</u>
Estimated or Actual Federal Tax Liability	<u>4,688</u>

State Taxable Income Reported	<u>33,638</u>
Estimated or Actual State Tax Liability	<u>2,344</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>0</u>
Amount of Gross-Up Tax Collected	<u>0</u>
Total Grossed-Up Contributions/Advances	<u>0</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Dale R. Calvert
SIGNATURE

5/31/11
DATE

Dale Calvert
PRINTED NAME

President
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED
MAY 28 2012
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
PIMA
NAME (OWNER OR OFFICIAL) TITLE
DALE CALVERT
COMPANY NAME
RINCON RANCH ESTATES WATER COMPANY, INC

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2010

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2010 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 167,192.76

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 10,840.01
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**


SIGNATURE OF OWNER OR OFFICIAL
(520) 325-1544

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

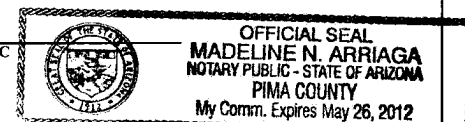
THIS 29th DAY OF

(SEAL)

MY COMMISSION EXPIRES May 26, 2012

COUNTY NAME	<u>Pima</u>
MONTH	<u>April</u> <u>2011</u>


SIGNATURE OF NOTARY PUBLIC



**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2010

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2010 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 164,423.26

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 10,665.04
IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

Dale R. Calvert

SIGNATURE OF OWNER OR OFFICIAL

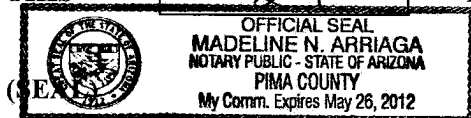
(520) 325-1544

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 29 **DAY OF**



MY COMMISSION EXPIRES

May 26, 2012

NOTARY PUBLIC NAME <u>Madeline N. Arriaga</u>	
COUNTY NAME <u>Pima</u>	
MONTH <u>April</u>	YEAR <u>2011</u>

X *Madeline N. Arriaga*

SIGNATURE OF NOTARY PUBLIC